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FISCAL IMPACT STATEMENT

LS 7383

BILL NUMBER: HB 1369

NOTE PREPARED: Feb 15, 2011

BILL AMENDED: Feb 15, 2011

SUBJECT: Pay to Performance Program for School Administrators.

FIRST AUTHOR: Rep. Soliday

FIRST SPONSOR:

BILL STATUS: 2nd Reading - 1st House

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) *Performance Goals:* This bill requires the Department of Education and school corporations to work together to set performance goals for improvement in: (1) standardized testing; (2) retention of students and graduation rates; (3) budgeting and fiscal performance; and (4) school administrator professional development.

Administrator Contract: The bill requires a contract of employment entered into between the governing body of the school corporation and a school administrator to include provisions concerning compensation based on the individual's performance in meeting the goals for improvement for certain criteria.

School Administrators: The bill provides that a superintendent of schools is not required to hold a teacher's or superintendent's license. It provides that a school corporation may have a policy to require administrators to be residents of the school corporation. The bill also repeals a requirement that a county superintendent of schools must have five years of successful teaching experience and hold a superintendent's license.

Effective Date: July 1, 2011.

Explanation of State Expenditures: *Performance Goals:* The State Board of Education can develop the performance goals for improvement within their current level of resources as part of their normal operations. They meet monthly to discuss education issues.

Explanation of State Revenues:

Explanation of Local Expenditures: *Performance Goals:* Schools should be able to implement the goals

within their current level of resources.

(Revised) *Administrator Contracts*: The inclusion of performance goals in a school administrator's contract could impact the amount of the contract, but would depend on how the contract is structured. The bill would require at least 5% of the superintendents salary be based on performance.

(Revised) *School Administrators*: Not requiring a superintendent in a school district with an ADM of at least 8,000 to have a teacher's license or requiring that a county superintendent of schools have five years of successful teaching experience and hold a superintendent's license would probably not increase or decrease school costs since contracts are negotiated. There are about 290 school corporation that the provision affect. The residency requirement should also have no fiscal impact.

Explanation of Local Revenues:

State Agencies Affected: State Board of Education, Department of Education.

Local Agencies Affected: Local schools.

Information Sources:

Fiscal Analyst: Chuck Mayfield, 317-232-4825.